

105TH CONGRESS
1ST SESSION

S. 490

To amend the Internal Revenue Code of 1986 to adjust for inflation the dollar limitations on the dependent care credit.

IN THE SENATE OF THE UNITED STATES

MARCH 20, 1997

Mr. AKAKA introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to adjust for inflation the dollar limitations on the dependent care credit.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Working Families
5 Child Care Tax Relief Act”.

6 **SEC. 2. INFLATION ADJUSTMENT OF DEPENDENT CARE**
7 **CREDIT.**

8 (a) IN GENERAL.—Subsection (e) of section 21 of the
9 Internal Revenue Code of 1986 (relating to expenses for
10 household and dependent care services necessary for gain-

1 ful employment) is amended by adding at the end the fol-
 2 lowing new paragraph:

3 “(11) INFLATION ADJUSTMENT.—In the case of
 4 any taxable year beginning in a calendar year after
 5 1996, each dollar amount contained in subsections
 6 (c) and (d)(2) shall be increased by an amount equal
 7 to—

8 “(A) such dollar amount, multiplied by

9 “(B) the cost-of-living adjustment deter-
 10 mined under section 1(f)(3) for the calendar
 11 year in which the taxable year begins, by sub-
 12 stituting ‘calendar year 1995’ for ‘calendar year
 13 1992’ in subparagraph (B) thereof.”

14 (b) EFFECTIVE DATE.—The amendment made by
 15 subsection (a) shall apply to taxable years beginning after
 16 December 31, 1996.

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